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## MEMORANDUM

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ORIGINAL

TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

EA for SMD

DATE: January 21, 2015

RE: IN THE MATTER OF THE APPLICATION OF UNITY TELECOM, LLC  
F/K/A DPI TELECONNECT, LLC FOR THE APPROVAL OF SURRENDER  
OF ITS CCN AUTHORITY IN STATE OF ARIZONA. (DOCKET NO. T-  
04062A-14-0345)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Competitive Resold Interexchange Services


Staff recommends cancellation of the CC&N.

SMO:LLM:red|ML

Originator: Lori L. Morrison

Arizona Corporation Commission  
DOCKETED

JAN 22 2015

DOCKETED BY 

SERVICE LIST FOR: UNITY TELECOM, LLC F/K/A DPI TELECONNECT, LLC  
DOCKET NO. T-04062A-14-0345

Mr. Charles L. Schneider, Jr.  
President and CEO  
Unity Telecom, LLC fka dPi Teleconnect, LLC  
1330 Capital Parkway  
Carrollton, Texas 75006

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
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Ms. Janice M. Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

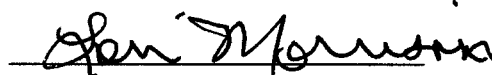
UNITY TELECOM, LLC F/K/A DPI TELECONNECT, LLC  
DOCKET NO. T-04062A-14-0345

IN THE MATTER OF THE APPLICATION OF UNITY TELECOM, LLC F/K/A DPI  
TELECONNECT, LLC FOR THE APPROVAL OF SURRENDER OF ITS CCN  
AUTHORITY IN STATE OF ARIZONA

JANUARY 21, 2015

## STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Unity Telecom, LLC fka dPi Teleconnect, LLC Docket No. T-04062A-14-0345, for approval to cancel its Certificate of Convenience and Necessity was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read "Lori Morrison", is written over a horizontal line.

Lori Morrison  
Utilities Consultant

## INTRODUCTION

On September 22, 2014, Unity Telecom, LLC fka dPi Teleconnect, LLC ("Unity" or "Company") submitted a letter requesting cancellation of its Certificate of Convenience and Necessity ("CC&N") to provide resold long distance telecommunications services within the State of Arizona effective immediately. Unity also requested the withdrawal of its tariff.

## BACKGROUND

On June 5, 2002, in Decision No. 64883, the Commission granted dPi Teleconnect, LLC ("dPi") a CC&N to provide resold interexchange telecommunications services within the State of Arizona. Also, the Company was required to procure a performance bond in the initial amount of \$25,000. On May 18, 2012, the Company changed its name from dPi Teleconnect, LLC to Unity Telecom, LLC<sup>1</sup> but the Arizona Corporation Commission's ("Commission") Utilities Division was not notified of the name change nor did the Company register the new name with the Corporations Division. Accordingly, all internal Commission references are under the dPi Teleconnect, LLC name and not Unity.

## STAFF'S ANALYSIS

In its September 22, 2014 letter, Unity states it does not currently provide service to any customers in Arizona. On November 26, 2014, in response to Staff Data Request ("SDR") STF 1.11(a), Unity states its one Arizona customer left Unity's network in March 2013. At Staff's request, Unity submitted an affidavit attesting that it has no customers for intrastate telecommunications services in Arizona and requested a waiver of the notice requirements in Arizona Administrative Code ("A.A.C.") R14-2-1107 (see attached Exhibit A). Unity has affirmed, in response to SDR STF 1.5, that it did not collect advances, deposits, and/or prepayments from customers in Arizona. In response to SDR STF 1.8 and 1.9, Unity states it had a copy of a \$75,000 performance bond on file with Commission but the bond was cancelled/closed on December 10, 2006. Staff did verify that the Commission Business Office had a copy of \$75,000 performance bond but no notice of bond cancellation was on file.

The Consumer Services Section of the Utilities Division reports that there have been no complaints, inquiries, or opinions about dPi but has no records for Unity. According to the Corporations Division, dPi is in good standing but Unity is not registered. The Compliance Section reports that there are no current compliance delinquencies for dPi but has no records in the Compliance database nor eDocket for Unity.

## RECOMMENDATION

Unity Telecom, LLC is not currently providing resold interexchange telecommunications services to any customers in Arizona and it never collected deposits, advances or prepayments from Arizona customers. As such, Staff recommends approval of Unity's request for a waiver of the

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<sup>1</sup> *In the Matter of Unity Telecom, LLC, Application for Consent to Transfer Control of a Company Holding Blanket Domestic Section 214 Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, Request to Renew or Extend Special Temporary Authority*, filed June, 4, 2012, WC Docket No. 12-32 at fn 1.

requirements to provide direct customer notice and to publish notice contained in A.A.C. R14-2-1107. Staff also recommends that Unity's CC&N to provide resold long distance telecommunications services be cancelled and approval of Unity's request to cancel and withdraw its Arizona tariff. With the cancellation of Unity's CC&N, the \$25,000 performance bond requirement<sup>2</sup> is cancelled. Staff further recommends that all bond related documents, including the copy of Unity's \$75,000 performance bond on file with the Commission Business Office, as discussed above, be released and returned to the following name and address provided by Unity. Mary Calderon, Unity Telecom, LLC, Manager, Compliance & Regulatory Affairs, 1330 Capital Pkwy., Carrollton, Texas 75006.

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<sup>2</sup> Per email from Mary Caldron to Staff on January 6, 2015.

STAFF'S FIRST SET OF DATA REQUEST TO  
UNITY TELECOM, LLC fka dPi TELECONNECT, LLC ("dPi" or "Company")  
DOCKET NO. T-04062A-14-0345  
NOVEMBER 26, 2014

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In addition to a paper response, all information responses should also be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

*Each answer was provided by Mary Calderon, Manager-Compliance & Regulatory Affairs located at 1330 Capital Pkwy, Carrollton, Tx. 75006*

Please make sure each numbered item and each part of the item is answered completely

STF 1.1 Please indicate the state(s) in which the Company currently operates.

**Unity RESPONSE:** Unity Telecom is in the process of withdrawing their certification in all 40 states in which it operates/operated. Certification in 20 states have successfully been withdrawn. We are technically still operating in 20 states.

STF 1.2 Does the Company have any employees in Arizona? If yes, please provide the number of employees.

**Unity RESPONSE:** No

STF 1.3 Does the Company have any facilities or assets in Arizona? If yes, please provide the dollar amount and location of such facilities or assets.

**Unity RESPONSE:** No

STF 1.4 If the Company has any open docket items pending before the Commission, please identify such dockets and explain their status.

**Unity RESPONSE:** N/A

STF 1.5 Did the Company ever collect advances, deposits and/or prepayments from customers in Arizona? If so, please indicate the amount of advances, deposits and/or prepayments that been returned to customers in Arizona whose services have been disconnected.

**Unity RESPONSE:** No, we did not.

STF 1.6 Please indicate if there are any affiliates of the Company currently offering telecommunications services in Arizona? If yes, are the telecommunications services provided by the Company similar to those offered by its affiliates?

**Unity RESPONSE:** No, there is not.

STF 1.7 Did the Company have any service contracts with customers? If so, please describe how the service contract were honored or terminated with the customers.

**Unity RESPONSE:** No

STAFF'S FIRST SET OF DATA REQUEST TO  
UNITY TELECOM, LLC fka dPi TELECONNECT, LLC ("dPi" or "Company")  
DOCKET NO. T-04062A-14-0345  
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STF 1.8 Does the Company have a performance bond or irrevocable sight draft letter of credit ("ISDLOC") on file with the ACC? If yes, please specify the amount of the bond or ISDLOC.

**Unity RESPONSE:** Yes, Unity has a \$75,000 Utility bond on file with the ACC however the bond was canceled/closed on 12/10/2006.

STF 1.9 If the response to STF 1.8 is affirmative, please specify if the Company provided the original bond or ISDLOC to the ACC or just a copy (proof) of the bond or ISDLOC.

**Unity RESPONSE:** To the best of my knowledge a copy was provided.

STF 1.10 In addition to cancelling its authority to provide telecommunications services in Arizona, is the Company also requesting to cancel its service tariffs?

**Unity RESPONSE:** Yes

STF 1.11 In its letter to the Arizona Corporation Commission ("Commission"), the Company requests the Commission cancel its Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services in Arizona. Please reply to the following:

a. Did the Company ever have any customers in Arizona? If so, please indicate the date the last customer the Company had in Arizona left its network.

**Unity RESPONSE:** Yes, we had one customer that left our network in March 2013.

b. Please clarify if the Company provided any legal notice of the Application to cancel telecommunications services in any area, billing insert or publication in Arizona as required in the Arizona Administrative Code ("A.C.C.") rule R14-2-1107. If legal notice was provided, please provide a copy of that notice and a description of the manner of distribution of the notice (e.g., direct notice to affected customers via bill insert).

**Unity RESPONSE:** No, we did not provide any legal notice as we had no customers to notify.

c. If the Company has no customers to notify because it has no current customers in Arizona, please provide an affidavit attesting to this effect.

**Unity RESPONSE:** See attached Exhibit A.

d. A.A.C. Rule R14-2-1107(B) indicates that "no later than 20 days after the application is filed, the telecommunications company shall publish legal notice of the application in all counties affected by the application". If the Company believes that the published notice requirement should be waived, please provide a statement requesting a waiver of published



STAFF'S FIRST SET OF DATA REQUEST TO  
UNITY TELECOM, LLC fka dPi TELECONNECT, LLC ("dPi" or "Company")  
DOCKET NO. T-04062A-14-0345  
NOVEMBER 26, 2014

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notice and describe in detail why waiving this requirement is just, reasonable and in the public interest.

**Unity RESPONSE:** Yes, we would like to request the notice requirement be waived and will include a statement to the effect in our Affidavit.

STF 1.12      The Company's application in this docket indicates the Company has changed its name from dPi Teleconnect, LLC to Unity Telecom, LLC.

a. Please specify the date when the Company changed its name.

**Unity RESPONSE:** Early 2012

b. Please explain in detail why the Company did not notify the ACC Utilities Division of the name change.

**Unity RESPONSE:** The name-change project was prioritized by number of customers in each state. Since Arizona had no customers it was low on the priority list. This coupled with a change in leadership and management with a shift in priorities created this issue. We apologize and in no way mean any disrespect to the State of Arizona.

c. Please explain in detail why the company did not register its new name with Corporations Division or the Arizona Secretary of State.

**Unity RESPONSE:** Same as Response 1.12b.

## EXHIBIT A

State of Texas

County of Dallas

### AFFIDAVIT AND CERTIFICATION of CHARLES L. SCHNEIDER, JR.

Personally appeared before me Charles L. Schneider Jr., who, being first duly sworn, deposes and states the following:

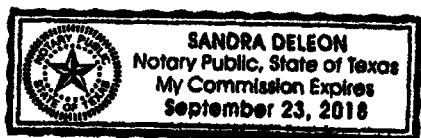
1. My name is Charles L. Schneider Jr. I am employed by Unity Telecom f/k/a dPi Teleconnect as President & CEO. My business address is 1330 Capital Parkway, Carrollton, TX, 75006. I am an officer of the Company and am authorized to make this Affidavit on its behalf, and it is based on my personal knowledge. This affidavit is given in support of the Application to cancel telecommunication services in the State of Arizona.
2. On behalf of Unity Telecom f/k/a dPi Teleconnect, I, Charles L. Schneider, Jr., hereby certify and state that Unity Telecom f/k/a dPi Teleconnect, has no current customers in the State of Arizona and therefore it is not necessary to notify customers of its intent to cancel telecommunications service.
3. In addition, since Unity Telecom f/k/a dPi Teleconnect, has no customers, I hereby respectfully request the Arizona Corporate Commission waive the published legal notice requirement of the Application to cancel telecommunications services as required in the Arizona Administrative Code ("A.C.C.") rule R14-2-1107. This request is just, reasonable and in the public interest as there are no customers to notice.

Dated this 24<sup>th</sup> day of November, 2014

By: Charles L. Schneider Jr.

President & CEO- Unity Telecom f/k/a dPi Teleconnect

Subscribed and sworn to before me this 24<sup>th</sup> day of November, 2014.



Sandra DeLeon  
Notary Public